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August 31, 2012

VIA ECFS

Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, DC 20554

Re: Telrite Corporation Compliance Plan; WC Docket Nos. 09-197, 11-42

Dear Ms. Dortch:

On July 27, 2012 and on August 10, 2012, I submitted letters on behalf of Telrite Corporation ("Telrite") related to the approval of its pending Compliance Plan. On August 29, 2012, I engaged in discussions with Trent Harkrader and Kim Scardino regarding the content of those letters which demonstrate that Telrite/Life Wireless, since the nearly year-old press coverage of a rogue agent by KMOV in St. Louis, has taken extraordinary measures to make its Field Representatives the best trained in the industry and to develop and implement a best-in-class compliance program that includes fraud and duplicate prevention measures that meet *and exceed* current FCC requirements. For example, Telrite/Life Wireless's enrollment process starts by asking applicants if they "currently receive a Lifeline service from their local telephone company or another wireless provider, such as Safelink, Assurance, ReachOut, TAG, Terracom and YourTel." As another example, Telrite also conducts dozens of on-site enrollment audits and hundreds of remote photo audits of its Field Representatives' enrollment activities every month.

I explained that Telrite/Life Wireless's participation in the CGM pre-enrollment Intercompany Duplicates Database ("IDD") typically results in more than 1 in 10 applicants being rejected for already having another Lifeline supported service. Telrite is the largest of thirty ETCs participating by committing to seed and/or dip the IDD (Telrite is one of more than ten ETCs currently doing both). Since August 1, 2012, Telrite has prevented more than 10,000 duplicates through its voluntary use of the CGM IDD. By the end of the month, Telrite's use of the IDD will have saved the Fund approximately \$100,000.00. While other large ETCs wait for

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the national database to come online, Telrite has implemented the best available industry-developed interim solution. More information on this initiative is available here: <http://www.marketwatch.com/story/life-wireless-adds-new-database-to-its-fraud-prevention-toolkit-2012-08-29>.

I also explained that Telrite/Life Wireless continues to assess and improve its fraud prevention practices on an ongoing basis. For example, the latest process improvement voluntarily adopted by Telrite requires uploading of an applicant's valid photo ID and proof of eligibility. The uploading process provides further assurance that Field Representatives are inspecting valid photo ID and proof of eligibility. Moreover, Telrite audits a certain percentage of uploaded documents for quality control. Proof is then discarded consistent with Commission rules, except to the extent that a state requires retention (*e.g.*, Commission Staff has advised that the Illinois retention requirement is not preempted).

I emphasized that Telrite/Life Wireless also has devoted substantial resources to ensure that the public is well informed about Lifeline and to counter negative impressions created by typically inaccurate coverage of its operations and the Lifeline program on local "news" programs. To this end, Telrite has hired public relations professionals and spent significant amounts of money developing and producing three Lifeline public service announcements ("PSAs"), the third of which will begin airing in September. As of today, the first two PSAs, available at: <http://youtu.be/CwO5p-RgVhE> and <http://youtu.be/7xOCEZvTv9o>, have aired 830 times on broadcast television in Baltimore, Little Rock, Minneapolis and St. Louis. These PSAs will air another 776 times in September and two new markets, Atlanta and Chicago, have been added to the rotation. These PSAs and news releases related to them have spawned positive news coverage of the Lifeline program across all kinds of media, including the Internet, print and television. Here are some examples of positive press about Lifeline attributable to Telrite/Life Wireless's positive public relations efforts: <http://kaaltv.com/article/stories/S2683084.shtml?cat=10151>, <http://www2.wsav.com/news/2012/aug/08/free-cell-phones-those-need-ar-4304096/>, <http://wirelessandmobilenews.com/2012/07/free-cell-phones-low-income-ak-md-mn-mo.html> and http://www.twincities.com/business/ci_21338168/lifeline-providers-work-spread-word-about-phone-service.

Finally, I discussed Telrite's experience with terminating customers for non-usage and indicated that Telrite's practices in this regard will result in millions of dollars of savings to the Fund by year-end.

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This letter is being filed electronically for inclusion in the public record of the above-referenced proceedings. Please feel free to contact the undersigned with any questions.

Respectfully submitted,



John J. Heitmann

Counsel to Telrite Corporation

cc: Trent Harkrader
Kim Scardino
Garnet Hanly